

AMENDED IN ASSEMBLY JULY 8, 2003
AMENDED IN ASSEMBLY JUNE 23, 2003
AMENDED IN ASSEMBLY JUNE 11, 2003
AMENDED IN SENATE MAY 12, 2003
AMENDED IN SENATE APRIL 21, 2003
AMENDED IN SENATE APRIL 3, 2003
AMENDED IN SENATE MARCH 26, 2003
AMENDED IN SENATE MARCH 12, 2003

SENATE BILL

No. 88

Introduced by Senator Chesbro

January 27, 2003

An act to add Section 23399.6 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 88, as amended, Chesbro. Alcoholic beverages: permits: winegrowers.

Existing law permits the Department of Alcoholic Beverage Control to issue special temporary licenses and permits to various entities for limited purposes.

This bill would permit the department to issue a wine sales event permit to allow a licensee under a winegrower's license to sell bottled wine that is produced by the winegrower at an approved event held by

a tax-exempt organization, as specified, for not more than 5 consecutive days.

The bill would prohibit a wine sales event permit from being used more than 2 times a month at a particular location, and limit the amount of wine a licensee may sell under a permit.

The bill would authorize the organization to charge a fee for the licensee's use of display booth space, and require the organization to allow the participation of more than one winegrower under a permit if public attendance at an event is expected to reach or exceed 100,000 people.

This bill would also require the department to report to the Legislature within 24 months whether the \$50 wine sales event permit fee is sufficient to compensate the department for extra costs it may incur in administering and enforcing these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 23399.6 is added to the Business and
2 Professions Code, to read:

3 23399.6. (a) Any licensee under a winegrower's license may
4 apply to the department for a wine sales event permit. The wine
5 sales event permit shall authorize the sale of bottled wine produced
6 by the winegrower at festivals, state, county, district, or citrus fruit
7 fairs, civic or cultural celebrations, or similar events approved by
8 the department. The sale of the wine shall not be the primary
9 purpose of the event, and the sale shall be for consumption off the
10 premises where sold. The permit shall be valid for a maximum of
11 five consecutive days during the event period. The event shall be
12 sponsored by an organization that is exempt from taxation as one
13 of the following:

14 (1) An organization described in Section 23701a of the
15 Revenue and Taxation Code, including state designated fairs, as
16 specified in Section 19418.

17 (2) A corporation or community chest or trust, organized and
18 operated exclusively for religious, charitable, or educational
19 purposes only, pursuant to Section 23701d of the Revenue and
20 Taxation Code.

(3) An organization described in Section 23701e of the Revenue and Taxation Code.

(4) A veterans' organization described in Section 23701w of the Revenue and Taxation Code.

(b) *A wine sales event permit may not be used more than two times a month at a particular location.*

(c) Consent for sales at each event shall be first obtained by an annual authorization issued by the department. The applicant for the wine sales permit is required to notify the city, county, or city and county where the event is being held at least five days prior to the event, and shall obtain approval from the local law enforcement agency prior to the start of the event. The local agency reviewing the permit shall render its decision within five days. At all events, a copy of the wine sales permit and the local agency approval shall be maintained. The licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the act pertaining to that license, and any violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises.

~~(e)~~

(d) (1) A licensee may not sell more than 5,000 gallons of wine annually pursuant to wine sales event permits issued under this section to that licensee.

(2) *A licensee holding a wine sales event permit may not sell more than 1,250 gallons of wine per event.*

(3) *A licensee that is eligible to receive a certified farmers' market sales permit under Section 23399.4 and a wine sales event permit may not, under both permits collectively, sell more than a total of 5,000 gallons of wine annually.*

(4) The licensee shall annually report to the department the total gallons of wine sold by that licensee under permits issued under this section to that licensee. The report may be included within the annual report of production submitted by the licensee to the department, or may be made in another manner as prescribed by the department in regulation.

~~(d)~~

(e) The sponsoring tax-exempt organization may charge a fee of the licensee for the licensee's use of display booth space. The fee, if paid, shall be comparable with, or less than, fees, or goods

1 or services of equivalent value, paid by other vendors at the event
2 for a similar booth size and location.

3 ~~(e)~~

4 (f) The sponsoring tax-exempt organization shall allow the
5 participation of more than one winegrower under a wine sales
6 event permit at an event if public attendance at the event is
7 expected to reach or exceed ~~100,000~~ 50,000 attendees. The prior
8 year's stated attendance for the event shall be used to determine the
9 expected attendance.

10 ~~(f)~~

11 (g) (1) The fee for the authorization to utilize a wine sales
12 permit shall be fifty dollars (\$50) per year, and the authorization
13 may be renewable annually at the time of the licensee's license.
14 The wine sales permit authorization shall be transferable as part of
15 the license.

16 ~~(g)~~

17 (2) All money collected as fees pursuant to this ~~section~~
18 *subdivision* shall be deposited in the Alcohol Beverage Control
19 Fund, as described in Section 25761, for allocation, upon
20 appropriation by the Legislature, as provided in subdivision (d) of
21 that section.

22 (h) The department may adopt any regulations as it determines
23 to be necessary for the administration of this section.

24 *SECTION 2. The department shall, 24 months after the*
25 *effective date of this act, report to the Legislature on whether the*
26 *fifty dollar (\$50) wine event sales permit fee imposed pursuant to*
27 *subdivision (g) of Section 23399.6 provides sufficient funds to*
28 *compensate the department for any additional administrative and*
29 *enforcement duties it is required to perform pursuant to this act.*